

Information from

Representative Chet Dobis



Property Tax Update

I have received many letters and emails regarding the Supreme Court-ordered property tax reassessment and the process in Lake County. Despite the mistakes that have plagued this **COURT ORDERED ASSESSMENT**, I urge you to have patience to give officials the chance to complete the job correctly. I believe that we must proceed with this matter judiciously and make sure that the final result is accurate and meets the letter of the law. Because of the long process I wanted to give you information on how we got to this point.

Q

Who forced the new reassessment?

- **Answer:** The **Indiana Supreme Court** and the **Indiana Tax Court**. They ruled that the way our state assessed property was unconstitutional. In response to the Court's order, **the state was forced to adopt new**
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assessment rules based on the "fair market" value of your property.



Q: Who drew up these new reassessment rules?

Answer: The state's Department of Local Government Finance, under the **mandate of the Indiana Supreme Court**.

Q: Who is performing the assessments?

Answer: The Indiana Department of Local Government Finance contracted with the Cole Loyer Trumble Company (CLT) to assist the state with performing the 2002 general reassessment in Lake County. **The goal of CLT is to value all of Lake County's 250,000 properties in a fair and uniform manner.**

Q: Have all homeowners been notified of their homes assessed value?

Answer: CLT has now sent a Form 11 to all property owners in Lake County. Form 11 contains only the assessed value of a parcel or property and not the tax rate and/or bill. **Unfortunately, some of the information received by the county auditors was wrong and over 12,000 individuals did not receive a Form 11 because of an incorrect name or address.** These individuals were notified through local media outlets, plus a legal notice, to contact CLT to have information updated.

Q: What if homeowners did not agree with the assessed value?

Answer: Once owners received their Form 11 they had 45 days to file an informal appeal with CLT. The new assessed values were based on "market value in use." Property owners needed to agree that the assessed value is representative of a price at which they would have been able to sell the property. If they did not agree with the assessment they were urged to contact CLT.

Q: When will appeals be completed and property tax bills received?

Answer: As of mid-February, CLT was in the process of reviewing 26,805 properties. They are hoping to complete all of the appeal hearings by the end of March and then issue final determinations. The Department of Local Government Finance is working with county officials to complete the steps to send out the property tax bills. **It is hopeful that the mailing of these bills will begin by mid-May.**



How legislative actions will affect Lake County property taxes

Since the **court ordered** these new **reassessments** for property taxes, there have been many disappointments along the way in Lake County, but these problems have emphasized the flaws in the old system and the need to install a system of assessments that give home and business owners a true sense of the value of their property. The legislature has already begun to take steps to help assure homeowners that they are getting a more equitable assessment on their property and to provide for tax relief in the future.

In 2002 the Republican-controlled Senate and the Democrat-controlled House of Representatives passed several provisions to beat back the increase:

- **Increasing the standard homestead deduction from \$6,000 to \$35,000.**
- **Taking 60 percent of school operating costs off the property tax rolls.**
- **Increasing the homestead credit from 4 percent to 20 percent.**

During the current session the House of Representatives passed House Bill 1055 which will direct the state's Department of Local Government Finance to make its real property assessment guidelines more uniform. In addition to HB 1055, a series of reforms were passed that help build on the tax restructuring that took place in 2002. These relief measures include:

- **Increasing property tax deductions for seniors on lower incomes, veterans, the blind and disabled and people who are rehabilitating homes.**
- **Extending of filing deadline for homestead credit and other deductions.**
- **Offering installment payment plans to taxpayers**
- **Waiving penalties for late payments**
- **Allowing 45 days for taxpayers to appeal bills**
- **Limiting local government property tax increases**



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